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Barbara Klemstine Director Regulation and Pricing Tel. 602-250-4563 Fax 602-250-3003 e-mail Barbara.Klemstine@aps.com Phoenix, Arizona 85072-3999

Mail Station 9708 PO Box 53999

Arizona Corporation Commission DOCKETED

JAN _ 2 2008

DOCKETED BY

Docket Control Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

RE:

January 2, 2008

PALO VERDE OUTAGE REPORT

DECISION NO. 69663

bara Klenders

DOCKET NO. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

Dear Sir or Madame:

Pursuant to Decision No. 69663, enclosed please find an Outage Report for planned or unplanned outages at the Palo Verde Nuclear Generating Station.

If you have any questions, please call Jeff Johnson at 602-250-2661.

Sincerely,

Barbara Klemstine

BK/bgs

cc:

Brian Bozzo

Ernest Johnson

OUTAGE REPORT PALO VERDE NUCLEAR GENERATING STATION (PVNGS) PURSUANT TO DECISION NO. 69663

PVNGS Unit 1 was manually shut down on October 22, 2007. The unit was required to be off-line to slope the steam supply bypass lines to the turbine-driven Auxiliary Feedwater Pump. The slope of the piping was adjusted and modifications were performed to add isolation valves in this steam line. Unit 1 was returned to service on November 3, 2007.

Replacement net fuel and purchased power costs incurred as a result of this outage were \$6.1 million. Off-system sales were reduced by 41,906 MWhs, with an associated lost opportunity sales margin of \$198,870.